



# APRA Brief

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## Building Livelihoods: Youth and Agricultural Commercialisation in Ghana

### Key messages

- Financial hardship and disappointments in education have been common precursors for young people to enter the rural economy as producers, business operators, or wage labourers.
- Commercialisation hotspots offer young people opportunities to engage in a range of small-scale income-generating activities with significant gender dimensions.
- Family and broader social relations are key to enabling young people to overcome the barriers to enter into agricultural commercialisation, including accessing the necessary resources (e.g. land, capital, input).
- Higher barriers to entry activities may exclude relatively less well-off or less well-connected young people from getting involved in agricultural commercialisation.
- There is evidence of some asset accumulation by young people in the form of residential plots, housing and other buildings, farm land, motorcycles and motor tricycles. Such accumulation reflects the combination of a relatively dynamic rural economy, support from social networks, and hard work.
- The assets or gains, and the economic activities that generated them, remain vulnerable to hazards and could be quickly lost.

### Introduction

The African economy has small manufacturing and formal service sectors which are dominated by the informal sector; in addition, it is likely that a significant proportion of young people will continue to live in rural areas for decades to come. These realities support the proposition that only the rural economy – built around agriculture, but encompassing much more – will be able to provide income-earning opportunities for many millions of young people into the foreseeable future. The case that agriculture and rural areas have the potential to provide decent livelihoods for the youth bulge generations has become the new policy orthodoxy.

An essential element of this is that – in order to provide young people with work that is remunerative, decent and meaningful – agriculture in Africa, and rural economies more broadly, must go through a process of transformation (or must go through that process at a faster rate).

Most accounts of the transformation that is envisaged highlight one or more of the following: increasing the use of productivity-enhancing technology (like climate- and disease-resilient seed varieties and fertilisers, and ICTs), along with engagement with national, regional and global value chains, development of/engagement with markets (including land rental markets), mechanisation, entrepreneurship, greater business orientation, increasing importance of processing and value addition, diversification, and investment in research and infrastructure. The theory is that rural areas, where such transformational processes take root, will provide more diverse and better-remunerated on-farm and off-farm employment opportunities for young people.

But, to date, there has been little research that looks specifically at how rural youth in Africa engage with, or are affected by, the two processes closely associated with transformation – agricultural intensification and commercialisation. Analysing the pathways that young people employ to get started in commercial agriculture should provide valuable and policy-relevant insights about opportunities and challenges for Africa's rural youth.

This APRA briefing paper is based on findings presented in the APRA working paper, Yeboah, T. (2019) *Building Livelihoods: Young People and Agricultural Commercialisation in Africa: A Ghana Country Review*

This briefing paper therefore presents a summary of findings of qualitative research conducted in Techiman North District, Ghana, on how rural young people engage with or are affected by agricultural intensification and commercialisation. The objective was to develop a better understanding of the pathways that particular groups of young people seek to construct livelihoods in or around agricultural commercialisation hotspots, and the outcomes associated with these efforts.

## Study approach

This study employed a qualitative research approach and field research was carried out in two communities, Tuobodom and Adutwie, located in Techiman North District of Brong Ahafo Region in February 2018. The sites were selected because they appeared to have relatively dynamic economies based on high levels of agricultural commercialisation.

A total of 35 young people between 18 and 35 years were identified from across both sites, and in-depth individual interviews of 50–60 minutes were predominantly used to elicit information on: (1) interviewees' background (e.g. age, gender, education, etc.); (2) the history of his/her economic activities; and (3) plans for the immediate and distant future, as well as constraints to achieving those plans.

**Table 1. Distribution of age and sex of participants**

Age	Gender		Total
	Female	Male	
20 years or less	1	1	2
21–25	4	9	13
26–30	4	5	9
31–35	7	4	11
Total	16	19	35

## What did we find out?

### Starting out

For the small group of rural young people participating in the present study, financial hardship and the disappointments around education have been common precursors to entering the rural economy. Most of these young people entered the rural economy either because their school experience left them with no other choice, or because they wanted to accumulate savings in order to return to school. A 21-year-old on-farm wage worker said: "I dropped out from school at the primary level. After that I decided to travel here to look for work." In contrast, another young person's engagement in tomato production was a result of personal choice:

*"After completing senior high school, I applied for employment with Wenchi Rural Bank and even got the opportunity to attend an interview. I did not hear from the bank management so I decided to find something to do. I started to assist my brother who was cultivating tomatoes at the time and, after a while, my brother gave me an acre of land to start my own tomato farm. After six months, the Bank responded and gave me an offer of employment to work as a credit officer, but they wanted to send me to a village which I did not like. I was already making good money from tomato cultivation and therefore decided not to accept the Bank's offer of employment."*



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Prior exposure to the rural economy – through engagement in family farm work, unpaid domestic work, or petty trading while growing up – provide valuable practical skills that young people draw on initially to engage in the highly commercialised rural economy. Apart from these skills and on-the-job experience, little evidence was found to show that rural young people were accumulating new skills or specialised knowledge that could further expand their economic activities.

### Modes of engagement and activities

In analysing young people's efforts to build their livelihoods, and particularly their income-generating activities, the research distinguished between 'modes of engagement' with the rural economy, and actual 'activities'. The framework identified four possible engagement modes: (1) on-farm production; (2) on-farm wage labour; (3) off-farm wage labour; and (4) business operation. Within each of these modes of engagement, there are many possible activities: on-farm production might entail production of cereal crops, horticultural crops or commercial crops like cocoa, cashew or tobacco; while off-farm wage labour might entail working in a hairdressing salon, or as a shop/canteen assistant, or in house construction.

The assumption is that there are differential resource, knowledge and social barriers to entry, both between and within these different modes of engagement, and that these differences have important implications for those who are able to take advantage of particular opportunities. Interviewees reported involvement in a wide range of economic activities across the four modes of engagement (See Table 2).

### Agricultural production

Producers primarily grew tomato and other short-cycle vegetables (green pepper, garden egg, etc.), cashew, and a mix of food crops on farms which varied from 2 to 8 acres in size. Gender differences emerge in the cultivation of different crops, with female producers mainly growing food (e.g. yam, maize) and tree crops (cashew and cocoa), and males growing a variety of crops including cashew, tomato, garden eggs, groundnuts, green pepper and millet. Techiman market is crucial for the marketing of their produce; while producers may sell to anyone at the market, their main customers are market women from Accra, Kumasi and other areas in the south, who purchase in bulk for onward sale.



**Table 2. Modes of engagement and economic activities of interviewees**

Mode of engagement	Activity
<b>Producer</b>	<ul style="list-style-type: none"> <li>• Tomato &amp; maize (2 including 1 female)</li> <li>• Yam (2 female)</li> <li>• Cashew &amp; food crops (2 female including one with partner)</li> <li>• Cashew, food crops &amp; cocoa (1 female with husband)</li> <li>• Cocoa (1 female with partner)</li> <li>• Tomato (4 males)</li> <li>• Tomato &amp; pepper (2 males)</li> <li>• Tomato &amp; cashew (1 male)</li> <li>• Green pepper, tomato &amp; garden egg (1 male)</li> <li>• Groundnut, maize &amp; millet (2 males)</li> <li>• Yam, groundnut, millet and maize (1 male)</li> <li>• Cashew (1 male)</li> </ul>
<b>On-farm wage worker</b>	<ul style="list-style-type: none"> <li>• Cashew nut harvesting (3 females)</li> <li>• Pig farm worker (1 female)</li> <li>• By-day labourer (7 males) i.e. Young people who undertake farm work on a daily basis (mainly weeding and spraying of fertilisers)</li> </ul>
<b>Off-farm wage worker</b>	<ul style="list-style-type: none"> <li>• <i>Gari</i> (cassava) processing plant (1 female)</li> <li>• Chop-bar (small informal restaurant) attendant (3 females)</li> <li>• Community security (1 male)</li> <li>• Motor tricycle transport of agricultural products (2 males)</li> </ul>
<b>Business operator</b>	<ul style="list-style-type: none"> <li>• Porridge seller (1 female)</li> <li>• Hairdressing – no shop (1 female)</li> <li>• <i>Pito</i> (millet/sorghum beer) brewing (1 female)</li> <li>• <i>Gari</i> processing (1 female)</li> <li>• Farm produce trader (1 female)</li> <li>• Food stuffs selling (1 female)</li> <li>• <i>Kenkey</i> (fermented maize flour) &amp; fish seller (1 female)</li> <li>• Cashew buying agent/middleman (3 males &amp; 1 female)</li> <li>• Motor tricycle transport of agric. products (2 males)</li> <li>• Sound system hire (1 male)</li> <li>• Vegetable trading (1 male)</li> </ul>

Source: APRA field research, 2018

Note: Fifteen young people were involved in more than one activity across one or more modes of engagement.

*“As for selling, it is not a problem because customers come all the way from Accra and Kumasi to purchase tomatoes during harvest,” says a young tomato producer.*

### On-farm wage work

For young males, on-farm wage work involved land clearing, removing tree stumps, making yam mounds, spraying pesticides, and harvesting food and cash crops. All seven males were migrants. Three of the female interviewees were engaged in harvesting and bagging of cashew nuts for local commercial farmers who hire labour daily, whilst another female was involved in working at a relative's pig farm.

However, most wage workers, both male and female, reported the daily uncertainty of not knowing whether they would have work. Male wage workers wake early at 6 am to head to the lorry station where they wait for the farmers. While waiting, they talk among themselves about how to get more work and increase earnings, and how to save and invest. Such discussions strengthen bonds between

the youth, but also enable older youths to share experiences and offer encouragement and practical advice to those who may be struggling. In addition, this space provides an opportunity for those who have good working relationships with farmers to introduce them to newly arrived migrants from the north and help the newcomers to get work.

### Off-farm wage work

Just over half of the interviewees were females working in local restaurants or chop bars (i.e. small informal restaurants), where their work included cooking, fetching water, washing dishes, running errands and serving customers.

### Business operations

Business operations varied considerably by gender. Male interviewees were mainly engaged in the trading of cashew and foodstuffs, as well as in transporting produce from farms to market – using motor tricycles – for farmers and traders. The amount earned

was dependent on the distance covered and the weight of items. Female interviewees engaged primarily in the preparation and sale of food such as *gari* and *kenkey*, and drink, such as *pito*, in addition to agricultural produce marketing.

Those engaged in cashew trading essentially operate as middlemen or intermediaries, buying the raw nuts from local growers in small quantities and bagging them to sell to larger traders for onward sale to Indian and Chinese companies. All cashew trading interviewees spoke of an increasing number of traders who compete to obtain high quality nuts from growers. To ensure supplies from local growers, young cashew traders have adopted the strategy of giving out free bags or sacks, and pre-financing or providing loans to cashew growers who repay after harvest. The amount of credit given varies depending on the extent to which farmers are able to supply cashew nuts within a given timeframe. It is worth noting that these loans are interest free and it takes 4 to 6 months for local growers to supply the quantity of cashew required to repay them. While this strategy helps cashew traders obtain a continuous nut supply, it also carries risk, and examples were given of growers who were unable to supply the required quantity of cashew during the season to clear their debt.

## Accessing resources

### Capital and land

Although many young people are engaged in activities with low barriers to entry, almost all youth still required some form of assistance from family relations, including support in the form of capital and inputs and – in the case of land – the rental market. One participant said:

*"I asked my mother to give me land to start my own farm so that I could use the money to buy my things. My mother agreed and gave me two acres of land. I grow yam and vegetables such as carrot, onion, tomatoes and green pepper."*

For migrants, social networks are important, not only in accessing capital or resources to establish economic activities, but also in channelling information in relation to job prospects, and settling into the new environment. However, while these young migrants see the Techiman area as a commercialisation hotspot which can provide significant income generation opportunities, they say that they do not intend to settle permanently. Seasonal migration, i.e. alternating between commercialisation hotspots and home locations, is common, as these young migrants seek to maximise their earnings and provide support to parents and farming activities at home.

### Inputs and stock

The study found that agricultural inputs, such as seedlings, cutlasses, hoes, fertilisers and chemicals are mostly purchased from local agro-dealers. Interviewees indicated that much of the farm work is carried out by hired by-day workers who are readily available at the beginning of the farming season. By-day workers are particularly important for commercial farmers in the area, especially in preparing the land for cultivation and also during harvesting.

*"Farm work is not easy. It requires a lot of physical strength so I employ the services of by-day workers to assist with weeding, planting and harvesting," says a young food crop producer."*

A young woman who runs a small *gari* processing operation indicated that she initially obtained all her cassava from her own



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farm. However, as the business expanded, she needed to buy additional cassava from other farmers; she now employs eight to ten people in the factory and has an additional five to eight people who work on her cassava farm.

### Gains from activities and the onset of hazards

Through the study, it was established that there is some asset accumulation by young people in the form of residential plots, housing and other buildings, farm land, motorcycles and motor tricycles. Interviewees proudly reported investing in their children's education, as well as their own development (e.g. undergoing training to become a hairdresser or mechanic). Asset accumulation reflects the combination of a relatively dynamic rural economy, support from social networks and hard work.

It is important to note that whilst some young people engage in high-return activities (e.g. cashew production, cashew trading and motor tricycle business) where more permanent access to land is required, higher barriers to entry exclude relatively less well-off or less well-connected young people from getting involved. Indeed, those engaged in these activities had either completed senior high school, or had relatively well-off parents who were also engaged in cashew and food crop production, with an average farm size of 20 acres. These youth had networks that could provide the necessary financial support to help them get established, or they had used part of their earnings from tomato production to establish their current activities. One young man, for example, received GH¢6,200 from his father to purchase a new motor tricycle, with which he started to work after successfully completing secondary school. Two other young men were also able to start tricycle and cashew trading businesses by combining savings from tomato farming with financial support from their parents.

However, the concern for these rural young people is that their assets or gains, and the economic activities generated from them, remain vulnerable to hazards and could quickly be lost. The interviewees identified a number of constraints affecting their activities, which can be categorised into personal, health-related hazards (accidents, theft, on-the-job injuries, sickness, family tragedy) and business-related hazards, including prolonged drought and unreliable rainfall, low demand for produce or services, confiscation of motor tricycles in the absence of a license, occasional non-payment of daily wage by employers, employer closing

down, and loss of savings due to business failure or the collapse of microfinance institutions. Whether engaging in on- or off-farm wage work, as a producer or business operator, hazards such as these are part of daily life, and could necessitate the liquidation of hard-won assets. In addition, almost all activities across the four modes of engagement lead to relatively low yields and inconsistent returns – to the extent that recovering the investment made in the activities often proves difficult.

Moreover, the small-scale nature of the activities, and concerns around low demand or inconsistent market connections for farm produce and/or services, put downward pressure on returns. The livelihoods of young migrants, in particular, are characterised by interlocking difficulties, including uncertainty about work, low wages and lack of payment for services, which may perpetuate feelings of powerlessness and/or subjugation.

### *The resilience of youth*

The youth studied demonstrated that, generally, they could navigate the stops and starts, small wins and setbacks of the rural economy, by not giving up and drawing on their networks to either start a new venture or restart the same venture. Resilience in the face of hazards was evident and as long as the youths can stay healthy and nimble, Techiman's commercialised rural economy may continue to provide them with a diversity of livelihood and asset accumulation opportunities.

### *Imagined futures and possible constraints*

Many interviewees imagined their immediate futures in terms of acquiring a plot and building a house, marrying and educating their children. Others emphasised the economic dimensions of their immediate futures. One 35-year-old male migrant living in Tuobodom and engaging in commercial tomato farming, for example, wants to buy cows and goats in the north and transport these to Accra for onward sale.

However, ideas about the more distant future were uncertain, and attempts to probe around distant plans yielded similar responses to those discussed for the immediate future, i.e., house building, educating children, establishment of new businesses, etc.

Overwhelmingly, interviewees considered a lack of financial resources as the key constraint to realising their plans, although issues such as illness and death were also cited. Nevertheless, most remained positive and stressed the importance of hard work, determination and focus in life.

## Conclusion and policy implications

Overall, the engagement of youth in multiple activities is an indication that commercialisation hotspots offer options for young people, and reflects a high degree of cross-activity investment and subsidisation. Indeed, being in a commercialisation hotspot allowed these interviewees to engage in a range of small-scale income-generating activities, and thereby establish themselves as independent economic actors in their transition to adulthood.

The process of livelihood building in rural commercialisation hotspots is all about having and maintaining good social networks (and in a number of cases, marital relations), in addition to working hard. Youths must also be able to adapt to or navigate the changing dynamics of the rural economy and/or the onset of hazards.

It is not known whether the barriers to entry, gains and hazards associated with the different modes of engagement and activities of the young people studied are in line with what is experienced by young people in other commercialised rural locations. However, if they are, then the findings provide important insights for policy.

### *Social protection programmes*

There is, for example, a clear opportunity to use policy and programmes to help protect young peoples' accumulated gains from hazards in the rural environment. In the first instance, this should include informing and motivating young people so that they take full advantage of existing social protection programmes. In Ghana, an obvious example would be the National Health Insurance scheme. There may also be opportunities to use programmes to make it less likely that key assets would need to be liquidated in order to meet unexpected or emergency expenses.

### *The need for quality education*

In addition, while important gains have been made in relation to school enrolment, there is now a need to address issues around quality, completion and outcomes in education. Disappointment with their education experience was perhaps the most important link binding interviewees together. Fundamental change in the livelihoods of rural young people will not be possible unless this situation is addressed.

## Image captions:

Cover - Young men and women are engaging in the production and processing of maize in Ghana.

Page 2 – A woman sells tomatoes to a customer at her stand in Agboghloshie market in Accra, Ghana.

Page 4 – A young vegetable farmer with his watering can in Ghana's Upper West Region.

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